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STATE FOR ISN/CB, VCI/CCB, L/ACV, IO/S
SECDEF FOR OSD/ISP
JOINT STAFF FOR DD PMA-A FOR WTC
COMMERCE FOR BIS (GOLDMAN)
NSC FOR DICASAGRANDE
WINPAC FOR WALTER

E.O. 12958: N/A

TAGS: [PARM](#) [PREL](#) [CWC](#)

SUBJECT: CHEMICAL WEAPONS CONVENTION (CWC): WRAP-UP FOR
WEEK ENDING OCTOBER 6

This is CWC-91-06.

CHINA

¶1. (U) PRC Amb. Xue Hanqin asked to meet with Amb. Javits on Oct. 6, and began by raising the issue of the Taiwan Chemical Industry Association requesting observer status at the December Conference of States Parties. She noted that Beijing still objects to the TCIA receiving observer status. She asked for support from the U.S. on the PRC position and said she would raise it with other delegations. Amb. Xue added that she wanted to make sure there was a consensus on how to proceed to ensure this did not become "an issue."

¶2. (U) In the past, it had come up just before the CSP, which had generated a last-minute flurry of activity. The PRC wanted to avoid that this year. She then expressed a concern about statements that indicated a forward-leaning approach by some delegations toward observers from chemical industry associations over applications from NGOs. (Note: Those sentiments had been expressed at the recent meeting of the Second RevCon Working Group.) Amb. Javits simply noted that there has as yet been no formal application by the TCIA, but that we would convey PRC views to Washington.

¶3. (U) Amb. Xue then said she wanted to discuss industry inspections, and had a particular concern about why the PRC has so many declarations on file in comparison to other member states. (Note: The PRC delegation had recently raised this issue separately with del rep.) The Ambassador noted that her staff had informed her this was due to the fact that the PRC has so many small facilities, such as fertilizer plants. However, she was wondering whether there was something "wrong" with the methodology. The underlying message was clearly that China is being treated unfairly. She commented that this was not an issue of the PRC in comparison to the West; the PRC has many more declarations than India, which is in a similar state of development. Amb. Xue wondered if this is due to criteria in the CWC or the Technical Secretariat methodology. She added that China is looking to "right-size" its chemical industry.

¶4. (U) Amb. Javits noted that it would be best if she asked

the TS directly, putting her questions to Bill Kane, the head of the Industry Verification Branch. Amb. Xue said that she would do so, commenting that this has an impact on the issue of productive use of OPCW resources, since targeting small fertilizer plants for inspections is a questionable use of money and inspector time. She went on to note that it is important that SPS not be passive about questionable facilities. Indeed, they should look at their own chemical industry activities.

¶15. (U) Amb. Javits used the opportunity of the meeting to deliver the U.S. response to China's proposal of new dates for consultations (State 166807), noting that the points would also be delivered in Beijing. Amb. Xue expressed appreciation for the response and said that she would check with Beijing. She took the point made by Amb. Javits that it would be good to continue to have the technical consultations Nov. 13-15 to take advantage of the presence of U.S. technical experts in The Hague, but declined to provide any further comments.

IRAQ

¶16. (U) Del reps, with UK rep Mark Matthews, met with Ahmed Jewad, Counselor at the Iraqi Embassy, on Oct. 6 to reiterate proposed dates for the December follow-up to the February 2006 Amman workshop. Jewad displayed some confusion regarding both the dates and the purpose of the workshop; U.S. and UK reps explained the importance of a declaration workshop and the effort that had gone into coming up with dates that would be acceptable to the TS, U.S., UK and Jordan. Del reps also inquired as to whether any progress

had been made toward Iraqi accession to the CWC; Jewad seemed unsure, but also expressed a desire to see the formation of a special council within the government that would specifically track accession.

¶17. (U) Del reps assured Jewad that a December meeting would be beneficial regardless of the eventual timing of accession, and requested that he encourage colleagues in Baghdad to communicate the status of the Iraqi declaration to the TS, and to continue their own work prior to any follow-up meeting. Delegation recommends Washington also convey proposed dates (11-15 December 2006) to Embassy Baghdad to facilitate GOI receipt of accurate information and provision of feedback as to the feasibility of the dates as soon as possible.

DIRECTOR GENERAL'S MEETING ON TENURE

¶18. (U) The Director General held a meeting on October 5 to discuss the future of tenure implementation. The basis of the discussion was the DG's proposal to be granted additional flexibility in implementing tenure until 2012 as outlined in EC-47/DG.2, dated August 30, 2006. The DG noted that one of the reasons he decided to hold the meeting now was that delegations had received adequate time to study his proposal and refer it to capitals. The DG said his proposal was an attempt to strike a balance between the original tenure decision, which he wholeheartedly supports, and the operational needs of the organization. The DG emphasized that he supported tenure, as it had brought new blood into the organization and increased geographical representation, and that all he was asking for was a two year and four month extension in his flexibility.

¶19. (U) The DG noted that when the original decision on tenure implementation had been made it had not been foreseen that the level of destruction activity would be at its peak between 2009 and 2012. He also asserted that the original decision to give him flexibility had been made in 1999, and the 2009 date had been arbitrary and only based on the fact that it was ten years after the decision was made. The

decision was not made based on operational considerations.

¶10. (U) The DG said he did not want to open a debate on tenure itself and that if delegates could not easily agree on his proposal he would withdraw it and continue to implement the 1999 decision, though he asserted that this could be catastrophic for TS operations. He added that he hoped to see a decision on his proposal by the next EC, as many of the personnel decisions he would have to make in the near-future would be impacted by the proposal on tenure.

¶11. (U) Del rep raised the points sent by Washington with the DG's chief of cabinet, Rafael Grossi, privately the day before the consultation. Grossi said the DG continues to strongly support the tenure policy, and was only seeking a short extension in the period of time he was granted flexibility in administering tenure in order to more effectively manage the organization and ensure operational effectiveness. Grossi pushed back on our suggestion that the DG retain some percentage targets in his proposal saying that adhering to percentage targets could be problematic if, for example, a larger than expected number of individuals in a certain division left because of natural attrition before they faced tenure. This could require the DG to retain a greater number of people who should have left because of tenure and make adhering to a specific percentage target problematic.

¶12. (U) Grossi took the U.S. point that the extended flexibility for the DG on tenure would be particularly important in the Inspectorate and Verification, but he said that the lawyers in the TS had cautioned that stating this explicitly in the decision text could be problematic as it could result in litigation by employees who are separated from other divisions. Grossi was willing to assure us that the DG would be focusing his use of tenure extensions in the

Inspectorate and Verification and would also very strongly consider including the laboratory. Grossi said that the DG would continue to report to the EC on at least an annual basis on the implementation of tenure and would include language to that effect in the draft decision text to be prepared.

¶13. (U) In the consultation itself, Colombia, Austria, Peru, Kenya, Canada, Belgium, Pakistan, South Korea, Argentina, The Netherlands, Sudan, Malaysia, and Vietnam all strongly supported the DG's initiative. Mexico strongly supported the proposal, but noted they had initially considered asking the DG to retain percentage targets as had existed in the original proposal from 1999. In the end though, Mexico had decided it would be better to keep the decision as simple as possible. Japan, China, the UK, Australia, and Germany said they were waiting for guidance from their capitals, but would recommend that their capitals support the proposal. Russia and India said they were still awaiting guidance but spoke in a generally positive way about the initiative.

¶14. (U) Only Iran said that they had problems with the DG's proposal. Iran said that the issue was a complex one and implied that many consultations would be needed before consensus could be reached thereby making resolution of the issue before EC-47 problematic. Iran also challenged the reference to the OPCW being a "watchdog" in paragraph 54 of the DG's proposal. The DG responded strongly that if the issue was going to be problematic and consensus could not easily be found, he would withdraw his proposal. He agreed to have at least one more consultation on the matter, but not an extended series of consultations.

¶15. (U) Kenya cautioned that delegations should not seek to micromanage the TS. Iran again said they would need more consultations before being able to join consensus.

¶16. (U) The DG agreed at the end of the session to work on creating a draft decision text for delegates to examine at the next consultation. Iran, clearly isolated, reiterated that this was a political issue that would bear further

examination. Grossi told del rep privately at the end of the consultation that he believed Iran would yield on this issue once the Iranians realized that all seven of their nationals who work at the TS are facing tenure in the next year or two and would have a lesser chance of being extended if the DG's proposal were blocked.

BUDGET CONSULTATIONS

¶17. (U) Budget consultations were held on October 6. Co-facilitator Walter Lion (Belgium) said that the main point of the meeting was to help him compile a list of problem areas so that he could prepare a roadmap for future consultations. He suggested proceeding through each budget program so that delegations could indicate if there were problem areas that would require additional attention. He began with the Inspectorate and Verification.

¶18. (U) South Africa said they would like additional information on the 5,000 inspector days allotted for preparing for challenge inspections. India said they were opposed to the reduction in Schedule 1 and 2 inspections and asserted, once again, that the budget forum was not the appropriate forum to discuss the change in the allocation of Article VI inspections. Iran asked what the status was of the numerous changes in the text that they had requested. Pakistan said that the OCPF site selection methodology would have to be resolved before they could support an increase in OCPF inspections. China suggested that it was up to the TS to propose a compromise on Article VI inspections that would be acceptable to all delegations.

¶19. (U) Switzerland was very supportive of the budget proposal and was especially pleased with the increase in OCPF inspections. Del rep asserted that the budget consultation was the appropriate forum to discuss the levels of Article VI

inspections, as it was required in the CWC. Del rep also said that the U.S. was very supportive of the inspections levels proposed by the TS in the budget and in fact would have liked to have seen the OCPF numbers even higher. Del rep countered the Chinese suggestion that the TS should propose a compromise solution as it was up to delegates to engage in a thorough discussion of the issue and arrive at consensus. Australia supported the U.S. and suggested that the Verification division provide another presentation to address the concerns of those opposed to the increase in OCPF inspections.

¶20. (U) Ian Mundell (Canada) said that this was the eighth budget that he had negotiated and the level of and allocation on industry inspections had always been discussed and agreed upon in the budget consultations, so Canada saw no reason to do things differently this year. Canada also rejected the assertion by some delegations in previous consultations that the schedule of chemicals constituted a hierarchy of risk. France supported the increase in OCPF inspections.

¶21. (U) Iran opposed the increase in OCPF inspections and added that they did not feel it would be useful for another factual presentation from the TS on the issue as the decision to be made was essentially a political decision. South Africa, on the other hand, said they would like more information in order to make an informed decision on the issue. Pakistan said that they were not opposed in principle to increasing the number of OCPF inspections but they were concerned about the size of the increase. China in a more assertive intervention said that the TS had put forward the increased number of OCPF inspections without consulting SPs like China who were most affected, so it made sense to them that the TS propose a solution.

¶22. (U) On the Office of Special Projects (OSP), South Africa asked if any progress had been made on the "office in Africa" issue. France said they supported the work of the OSP and would again seek to lead the discussions in the

Open-Ended Working Group on Terrorism. The Head of the OSP told delegates that he was waiting for consultations on the "office in Africa" to move forward before taking any actions on the issue. Iran said they would like a reference to the EC included in paragraph 4.63 of the budget and the reference to non-proliferation removed from paragraph 4.64. Germany opposed the removal of the reference to non-proliferation as suggested by Iran.

¶23. (U) Co-facilitator Hela Lahmar (Tunisia) said the facilitators would continue to seek the views of delegations on problem areas in the budget at the next consultation scheduled for October 10.

SEQUENTIAL INSPECTION

¶24. (U) At the September 5 WEOG meeting, Australia had raised some concerns expressed by their NA regarding sequential industry inspections. In the same meeting, New Zealand also had expressed some concerns, stated that they had four sequential inspections to date, and stated that they were considering withdrawing their consent to these types of inspections.

¶25. (U) Del Rep met with Sonya Koppe (Australia) to get more details. She said that the concerns coming from her NA had to do with how notifications were done for sequential inspections and whether this gave additional preparation time for the second facility, particularly for potential sites in countries of concern. They have since met with Horst Reeps, Director of Verification, and been able to resolve most of their concerns. She also explained that New Zealand's concern centers around sequential inspections that start in Australia and end in New Zealand. They think that being next-door to a country with a bigger industry is resulting in more inspections in New Zealand, to which they take exception. (This has since been verified with the New Zealand delegation.)

¶26. (U) By way of background, the U.S. consented to sequential inspections early on. However, during the TS's first attempt to do this in the U.S. (during two initial Schedule 1 inspections), the TS made some mistakes that brought into question their ability to adequately protect confidential business information. Recently, the TS has been

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in consultations with the U.S. delegation to demonstrate that they have resolved the earlier problems, asking the U.S. to reconsider a consent to sequential inspections. Delegation understands Washington is considering this request and whether earlier concerns have been adequately addressed.

TS MEETING ON PREPAREDNESS TO CONDUCT

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AN INVESTIGATION OF ALLEGED USE

¶27. (U) The Joint Assistance 2005 exercise in the Ukraine in October 2005 revealed that the TS needed more work to be prepared to receive a request for an investigation of alleged use (IAU). This was of concern as IAUs, along with challenge inspections, are important tools to provide data upon which States Parties can base compliance judgments. Consultations with the TS during the week of September 25 showed a much-improved TS posture in relation to IAU since 2005. The TS, having prepared encompassing SOPs and work instructions,

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and having launched a continuing training program, sees itself as ready to receive a real request for IAU with the caveat that an IAU done under Article X, in which the investigation is requested by a State Party on its territory,

will likely have less political issues that one conducted under Article IX on the territory of one State Party at the request of another.

128. (U) Javits sends.
ARNALL